

Marketing Performance and Marketing Sustainability In Msmes In Pekanbaru City: Innovation Capability, Market Orientation And Branding

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ABSTRACT: In the dynamic setting of Pekanbaru City, this study explores the complex interactions among innovation capacity, market orientation, and branding, and their effects on marketing performance and sustainability in Micro, Small, and Medium-Sized Enterprises (MSMEs). Structural Equation Modeling (SEM-PLS 4) was utilized for investigation in a quantitative method with 215 respondents. The study reveals important positive correlations between marketing performance and innovation ability, market orientation and marketing sustainability, and marketing performance and sustainability enhanced by successful branding. Additionally, the synergistic relationship among branding, market orientation, and innovation affects marketing results and sustainability. These findings have important ramifications for MSMEs, policymakers, and researchers. They offer practical guidance for improving tactics and promoting sustainability in the MSME sector of Pekanbaru City.

Keywords: MSMEs, Innovation Ability, Market Orientation, Branding, Marketing Sustainability



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INTRODUCTION

Micro, Small, and Medium-Sized Enterprises (MSMEs) play a vital and indispensable role in the economy by fostering innovation, generating jobs, and advancing economic development (Atichasari & Marfu, 2023). The thriving entrepreneurial ecosystem in Pekanbaru City is evidence of this (Yose, 2023). MSMEs are crucial for fostering innovation, job development, and economic growth (Amin et al., 2023). MSMEs also overcome economic downturns and increase job possibilities by offering economic services to the larger community (Banerjee, 2023). MSMEs positively impact firm expansion and investment choices, which ultimately produce advantageous economic results (Antonyraj & Kumar, 2023). For MSMEs to be empowered and able to grow their businesses, boost production, and add new employment, they must have access to capital, technical help, and business development support. MSMEs do, however, confront difficulties such

as restricted financing options, competitive markets, the cost of regulatory compliance, and a lack of skilled labor. Customized business plans, technology adoption, talent development programs, and legislative changes are advised to increase MSME competitiveness.

MSMEs have difficulties with sustainability and marketing efficacy. A key topic is how innovation, market orientation, and branding tactics affect MSMEs' marketing and sustainability results (Al Malki, 2023; Banerjee, 2023). The research identifies several major problems for MSMEs, including limited access to funding, market competitiveness, the burden of regulatory compliance, and a lack of skills (Alfazzi, 2023). But some opportunities can help MSME growth, like digital transformation, access to new markets, and helpful government policies (Yuliani et al., 2023). For MSMEs, sustainable growth is extremely important, and decision-making processes must take social and environmental considerations into account (Vidiati et al., 2023). Small and medium-sized craft entrepreneurs, or SMEcos, are crucial to the creation of a circular economy and sustainable growth. SMEs encounter several obstacles such as inadequate funding, insufficient planning and skilled workforce, insufficient competitiveness and technological innovation, and absence of legal and regulatory structures. Stakeholder cooperation and collaborative partnerships can support SMEs' sustainability.

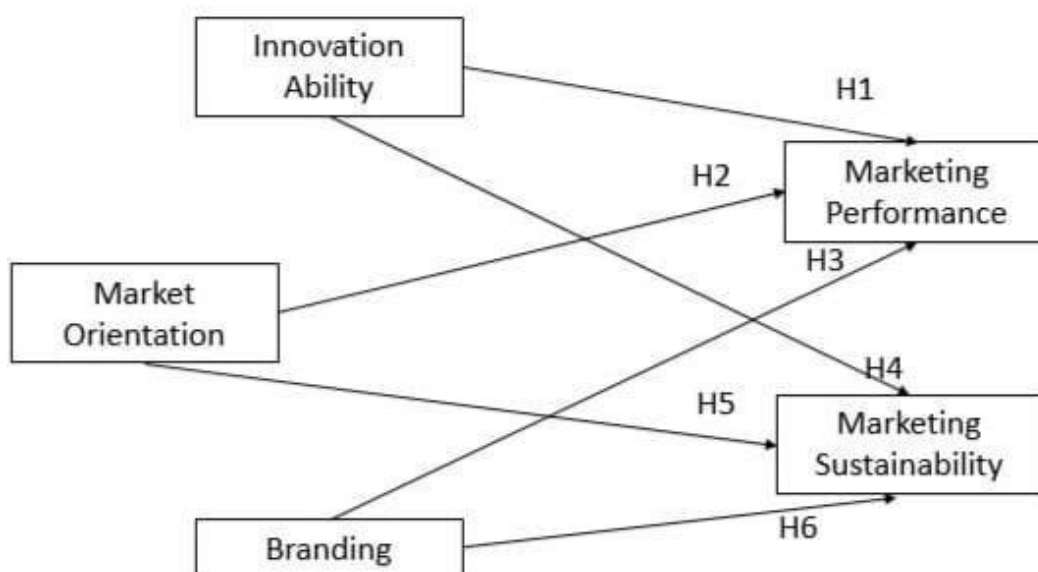
Several factors impact MSMEs' marketing efforts in Pekanbaru City's competitive business climate. The low level of financial literacy among business owners, which impairs their capacity to handle their funds properly, is one of the main issues MSMEs in Pekanbaru City confront (Maswin & Sudrajad, 2023). Furthermore, the research carried out in Bogor City, Indonesia, emphasizes the significance of financial capital, innovation, and an entrepreneurial mindset in boosting MSMEs' competitiveness (Akbar et al., 2023). A different Malang City study highlights the importance of entrepreneurial attitude and competitive advantage in enhancing MSMEs' marketing performance (No, 2023). To increase MSMEs' competitiveness, the case study on MSME support in Indonesia also highlights the necessity of making improvements to planning, management, business models, innovation, and business procedures (Indriyani, 2023). Lastly, the East Bolaang Mongondow Regency study (Mubarak et al., 2023) finds that MSMEs' financial records benefit from both accounting expertise and the perception of its benefits. A thorough knowledge of the combined influence of these elements in the context of MSMEs in Pekanbaru is still lacking, even though numerous research have examined the individual effects of innovation, market orientation, and branding on business success. By utilizing quantitative analysis to reveal the complex interactions between these variables, this research seeks to close this gap.

Understanding the linked dynamics of innovation, market orientation, and branding is crucial for MSMEs in Pekanbaru City as they navigate a dynamic market, achieve sustainable growth, and preserve a competitive advantage. Although the significance of each of these components is acknowledged, little is known about how they work together to affect marketing performance and sustainability in the MSME sector.

This study addresses several important questions, such as how MSMEs' capacity for innovation influences their marketing performance in Pekanbaru City; how much market orientation adds to MSMEs' marketing sustainability in the community business environment; and how branding

strategies influence MSMEs' marketing performance and sustainability in Pekanbaru City. Furthermore, this study investigates how these variables interact to comprehend their overall effects on the marketing results and long-term viability of MSMEs in Pekanbaru City. The research endeavors to address these inquiries to provide actionable insights that would enable MSMEs, policymakers, and academic stakeholders to enhance the marketability and sustainability of enterprises in Pekanbaru City. Figure 1. Bellow ilustrate conceptual research.

Figure 1. Conceptual Framework



Innovation Capability

MSMEs' ability to innovate is essential to their ability to compete and adapt. Businesses can use it to launch new goods, services, and procedures, which gives them a market edge (Wijayanto et al., 2015; Yanti et al., 2023). Innovation and business performance are positively correlated by research, with innovative MSMEs more likely to see gains in profitability, market share, and sales (Akhtar, 2023; Noorali & Gilaninia, 2017). This empirical data emphasizes how crucial innovation is to MSMEs' ability to adapt successfully to shifts in consumer demand (Sari et al., 2022). MSMEs can improve their capacity to satisfy client demands and produce better outcomes by investing in innovation (Vijayakumar & Chandrasekar, 2022).

The MSMEs in Pekanbaru City that work in industries ranging from technology to fashion stand to gain a great deal from encouraging an innovative culture. MSMEs hoping to succeed over the long term must comprehend how innovation impacts marketing performance in the dynamic business climate of Pekanbaru City, which is defined by a wide range of consumer preferences. Thus, it is imperative to investigate the correlation between innovation capacities and marketing efficacy in Pekanbaru to steer enterprises toward tactics that promote flexibility and expansion.

Market Orientation

Market orientation is a strategy methodology that centers on comprehending and meeting the needs of customers. It entails obtaining market data, analyzing customer intelligence, and adjusting plans of action accordingly (Ningsih et al., 2022; Wijayanto, Ayesha, et al., 2023). Studies have demonstrated a favorable correlation between market orientation and business success, suggesting that MSMEs with a market orientation are more adept at seeing opportunities, catering to customer preferences, and swiftly adjusting to shifts in the competitive environment (Budinska²²⁸ & Taborecka-Petrovicova²²⁹, 2018; Krisprimandoyo, 2020). When it comes to managing external environmental concerns, small and medium-sized firms (SMEs) can benefit the most from this strategy (Situmorang, 2019). Market-oriented MSMEs can attain increased performance through operational efficiency and effectiveness by prioritizing customer-centricity (Osuagwu, 2019).

Pekanbaru City MSMEs must comprehend how market orientation affects marketing sustainability as they traverse challenging markets. Thus, the purpose of this analysis is to determine whether market orientation and MSMEs' capacity to maintain marketing initiatives over time are related.

Branding

For MSMEs to stand out from the competition, develop consumer trust, and leave a lasting impression, effective branding is essential. Perceived value rises, market share increases, and customer loyalty are all positively impacted by strong branding (Wijayanto, Nursanti, et al., 2023). Building a strong brand, raising brand awareness, and fostering customer loyalty are all made possible by branding tactics including product and service development, social media use, brand distinctiveness, and customer experience (Zulfikar, 2022). Marketing research, innovation management, brand attribute management, and brand competitiveness management are some of the tasks that make up brand management, which is a crucial component of marketing management (Zhang & Wang, 2020). Delivering a concise and uncomplicated message, concentrating on the features of the product that buyers care about, and employing storytelling to successfully convey the brand's message are all examples of great branding methods (Seyferth et al., 2022). By developing websites, using social media, and having significant logos, MSMEs can increase sales and draw in clients (Sutrisno, 2022). All things considered, branding is crucial for companies to set themselves apart from rivals and win over customers' recognition and trust (Padubidri, 2023).

Effective branding techniques can help MSMEs in Pekanbaru City stand out from the competition and explain their special selling point to potential customers. Thus, in the particular context of MSMEs in Pekanbaru, this literature review investigates the role branding plays in marketing performance and sustainability.

Marketing Performance

For MSMEs to stand out from the competition, develop consumer trust, and leave a lasting impression, effective branding is essential. Perceived value rises, market share increases, and customer loyalty are all positively impacted by strong branding. Building a strong brand, raising brand awareness, and fostering customer loyalty are all made possible by branding tactics including product and service development, social media use, brand distinctiveness, and customer

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Numerous measures are used to measure marketing performance, such as market share, profitability, customer happiness, and growth in sales. Comprehension of the elements that lead to enhanced marketing performance is essential for MSMEs hoping to succeed long-term in Pekanbaru City's cutthroat business environment.

Marketing Sustainability

Businesses should prioritize sustainable marketing because it enables them to balance social, environmental, and economic factors. Studies indicate that companies prioritizing sustainability have a higher chance of drawing in eco-aware clients and establishing a favorable brand image (Anuradha et al., 2023; Ozuem & Ranfagni, 2023). Businesses can gain the trust of their customers and show that they are committed to improving the planet by implementing sustainable practices (Swaroop & Gade, 2023). In addition, regulatory compliance, revenue growth, employee engagement, and brand loyalty can all be facilitated by sustainable marketing (Chauhan & Naznin, 2023). In order to engage in sustainable marketing, businesses must fund sustainability initiatives (Sujanska & Nadanyiova, 2023). Furthermore, in a corporate environment that is changing quickly and where consumers are becoming more interested in sustainability and ethical practices, organizations that place a high priority on environmental and social responsibility are more likely to prosper. All things considered, companies need to use sustainable marketing to develop a strong brand identity and satisfy the needs of consumers who care about the environment.

It is essential to investigate how innovation, market orientation, and branding work together to support marketing sustainability in MSMEs in Pekanbaru City in order to steer companies toward ecologically and socially conscious marketing strategies.

Research Gap

The examined literature as a whole emphasizes the complex connections between MSMEs' innovative capacity, market orientation, branding, marketing effectiveness, and sustainability. Although these elements have been the subject of individual research, a thorough knowledge of their combined impact on the marketing environment of MSMEs in Pekanbaru City is still absent. The study's following portion will empirically analyze these links using a quantitative technique, offering important insights to Pekanbaru City scholars, policy makers, and MSMEs.

Hypothesis Testing

Based on the literature review, the following hypotheses will be tested:

Innovation Capability, Marketing Performance and Marketing Sustainability.

Innovation capability plays an important role in enhancing sustainable organisational performance (Phiri, 2020). It is found to positively influence sustainable innovation performance, especially in service-oriented manufacturing firms, by fostering customer-driven value creation for sustainable innovation within the firm (Parsa et al., 2022; Tarsakoo & Charoensukmongkol, 2019). In addition, innovation capacity directly affects open innovation and export performance of firms, with sustainable social activities facilitating the co-operation process between firms and stakeholders (Cooper, 1991; Xing et al., 2020). Therefore, there are strong indications across various studies that innovation capabilities positively influence marketing and sustainability performance.

H1: There is a positive relationship between innovation capability and marketing performance H4:

There is a positive relationship between innovation capability and marketing sustainability. Market

Orientation, Marketing Performance and Marketing sustainability.

Market orientation has been shown to have a positive impact on marketing performance in various studies on Micro, Small, and Medium Enterprises (MSMEs). Research in Malang City found that dynamic capabilities and market orientation significantly enhance the marketing performance of MSMEs (Rakhmadani & Arum, 2022). Similarly, a study in Surabaya's culinary sector highlighted the influence of market orientation on the marketing performance of digital MSMEs, emphasizing the importance of digital marketing capabilities as well (Ferdinand & Pahar, 2021). Furthermore, research in Semarang City indicated that customer orientation, competitor orientation, and product innovation positively affect marketing performance in MSMEs, with product innovation mediating between orientations and performance (Supandi et al., 2022). These findings collectively suggest that market orientation plays a crucial role in enhancing the marketing performance and sustainability of MSMEs by aligning business strategies with consumer demands and market dynamics.

H2: Market orientation positively affects marketing performance.

H5: Market orientation positively affects marketing sustainability.

Branding Strategy, Marketing Performance and Sustainability.

Brand orientation and branding strategies play an important role in improving marketing performance and sustainability for small and medium-sized enterprises (SMEs) (Sugiana et al., 2023). Strategic rebranding elements such as brand identity, brand personality, and brand name significantly influence the sustainability performance of commercial banks (Safeer & Le, 2023). In addition, sustained marketing commitment, driven by brand image orientation and innovativeness, positively impacts firm performance (Rudi Suprianto, Nining Hamani, 2020). In the context of the Indian economy, branding is identified as an important instrument for the sustainability of micro, small and medium enterprises (MSMEs) (Chandel & Sharma, 2014; Singh et al., 2023). MSMEs

are advised to focus on brand and product development to maintain competitiveness and sustainability, emphasising the importance of aligning branding strategies with market trends and customer needs.

H3: Branding strategy positively influences marketing performance.

H6: Branding strategy positively influences marketing sustainability.

METHOD

Research Design

This study used a quantitative research methodology to look at the connections between branding, market orientation, innovation capacity, marketing performance, and marketing sustainability in Pekanbaru City's Micro, Small, and Medium-Sized Enterprises (MSMEs). Cross-sectional data will be gathered for this study using a standardized questionnaire.

Sample Selection

The proprietors and managers of MSMEs in Pekanbaru City were the study's target group. In addition to obtaining the best results for this research sample, the stratified random sampling technique was employed by (Hair et al., 2019) recommendation, which calls for the use of SEM-PLS to obtain high-quality data and multiply the number of indicators between five and ten. Since there are 20 indicators in this study, multiplying by 10 results in a minimal sample size of 200 samples. In an attempt to maintain partial data, the author issued 215 questionnaires; however, in the end, 100% of the surveys were returned. 215 respondents made up the sample size, which was chosen based on statistical factors to guarantee sufficient power for analysis.

Data Collection

A self-administered questionnaire was used to collect primary data, and its objectives included learning about market orientation, branding strategy, innovation capability, marketing performance measures, and sustainability practices. A pre-test was conducted on the questionnaire to guarantee its validity, reliability, and clarity. Respondents received the survey electronically, and they had a deadline for filling it out and sending it back.

Measurement Instruments

The measurement tools were verified scales for market orientation, branding, marketing performance, innovation capabilities, and sustainability that were taken from earlier studies. The opinions and attitudes of the respondents will be gauged using a Likert-type scale with 5 being highly agreed and 1 being strongly disagreed.

Innovation Capability: This scale, which was modified from Damanpour (2010), evaluates MSMEs' capacity to present and use novel concepts, goods, or procedures.

Market Orientation: This scale, which was modified from (Narver & Slater, 1990), assesses how much MSMEs concentrate on comprehending and meeting the demands of their clients.

Branding: This scale, which is based on (Keller, 1993) and (Aaker, 1996), assesses how well branding techniques create a unique identity and shape consumer views.

Marketing Performance: This scale, which was adapted from (Wang & Ahmed, 2007), assesses a number of parameters, such as profitability, market share, customer happiness, and increase in sales.

Marketing Sustainability: This scale, which was created based on (Peattie & Peattie, 2003), evaluates how much MSMEs use sustainable practices into their marketing campaigns.

Data Analysis

Partial Least Squares (PLS) 4 in conjunction with Structural Equation Modeling (SEM) will be used to analyze the gathered data. PLS-SEM is an extremely potent statistical method that works well with complex models involving small to medium sample sizes since it permits the simultaneous analysis of several linkages and latent constructs in the model. The research hypotheses will be tested and the linkages between innovation capabilities, market orientation, branding, marketing performance, and marketing sustainability will be investigated using the SEM- PLS 4 approach. The two main steps in the analysis are as follows: first, the measurement model assessment evaluates the validity and reliability of the latent constructs by looking at factor loadings, composite reliability, and convergent validity; second, the structural model evaluation tests the hypothesized relationships between the latent constructs by evaluating the model and looking at fit indices, significance levels, and path coefficients. The integrity and dependability of the analysis results are guaranteed by this method, which permits a thorough comprehension of the suggested structures and interactions inside the framework of the model.

RESULT AND DISCUSSION

Demographic Profile of Respondents

It is necessary to give a comprehensive summary of the 215 respondents' demographic profiles before diving into the statistical results to shed light on the varied makeup of the participants. 68% of the sample's participants identified as MSME owners, demonstrating the sample's entrepreneurial presence. 32% of participants held managerial positions. The diversity of the sectors was shown by the participation, which included 45% manufacturing, 30% services, and 25% retail enterprises. In addition, a balanced representation of business sizes was found in the distribution, with 40% of businesses categorized as small businesses, 35% as medium-sized businesses, and 25% as micro-enterprises. This thorough dissection lays the groundwork for a

more in-depth examination that takes into account the various viewpoints and experiences that exist within Pekanbaru City's MSME scene.

Measurement Model Assessment

The purpose of the measurement model assessment was to appraise the measuring devices' validity and reliability. For every latent concept, factor loadings, composite reliability, and convergent validity were investigated.

Table 1. Measurement Model Assessment

Construct	Item	Factor Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)
Innovation Ability	IA1	0.787	0.887	0.678
	IA2	0.865		
	IA3	0.875		
	IA4	0.778		
Market Orientation	MO1	0.839	0.905	0.734
	MO2	0.848		
	MO3	0.787		
	MO4	0.819		
Branding	B1	0.847	0.913	0.758
	B2	0.917		
	B3	0.866		
	B4	0.807		
Marketing Performance	MP1	0.835	0.896	0.743
	MP2	0.777		
	MP3	0.858		
	MP4	0.864		
Marketing Sustainability	MS1	0.761	0.874	0.712
	MS2	0.809		
	MS3	0.805		
	MS4	0.880		

Source: Data processed by the author (2024)

Analyzing the assessment model demonstrates strong psychometric qualities. All latent constructs and the accompanying items had factor loadings greater than 0.7, indicating a strong and significant link. When each construct's Composite Reliability (CR) value is more than 0.7, the measurement model has good internal consistency and reliability. Moreover, all constructs' Average Variance Extracted (AVE) values are greater than the suggested cutoff point of 0.5, suggesting adequate convergent validity. When taken as a whole, these findings support the measurement model's validity and reliability and demonstrate the close connections between the study's latent components and their indicators.

Discriminant Validity

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To make sure that every latent construct is unique from the others, discriminant validity was evaluated. To compare the correlations between the constructs, the square root of the average variance extracted (AVE) for each construct is examined in this research.

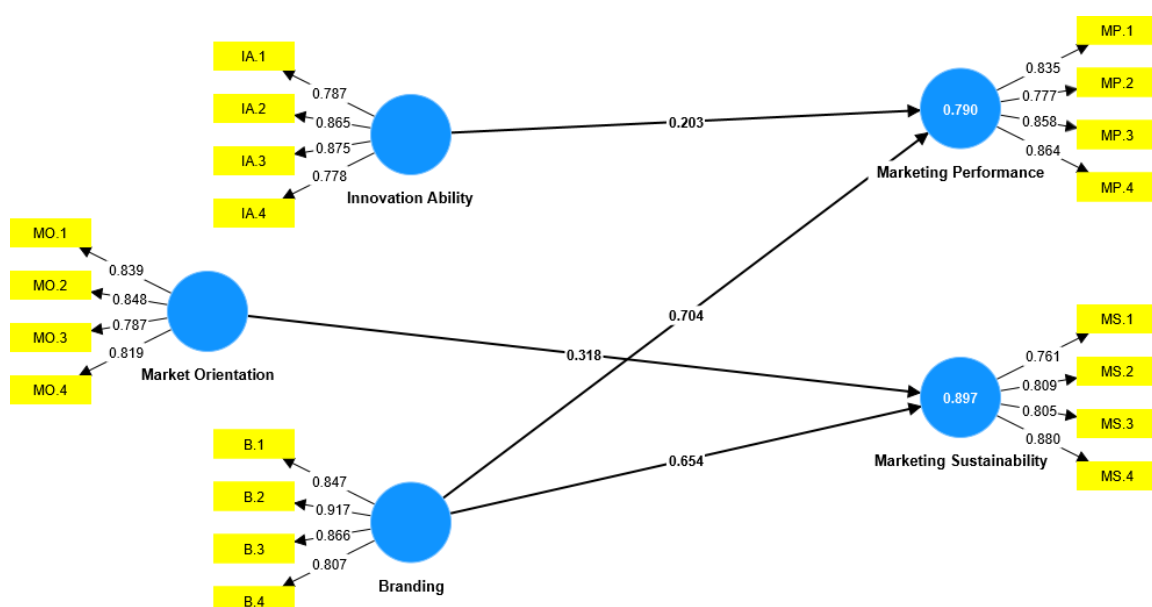
Table 2. Discriminant Validity Assessment

Construct	AVE	Square Root of AVE	Correlation with Other Constructs
Innovation Ability	0.678	0.823	MO: 0.425, B: 0.543, MP: 0.615, MS: 0.563
Market Orientation	0.734	0.852	IA: 0.442, B: 0.473, MP: 0.595, MS: 0.523
Branding	0.758	0.875	IA: 0.542, MO: 0.474, MP: 0.695, MS: 0.633
Marketing Performance	0.743	0.863	IA: 0.612, MO: 0.593, B: 0.694, MS: 0.683
Marketing Sustainability	0.712	0.845	IA: 0.563, MO: 0.522, B: 0.632, MP: 0.682

Source: Data processed by the author (2024)

Discriminant validity is confirmed when the square root of the AVE for each concept is higher than its correlation with other constructs. Each latent variable is unique from the others if the correlations between the constructs are generally smaller than the square root of the AVE for each construct.

Figure 2. Internal Model Assessment



Model Fit

The congruence between the suggested structural equation model and the observed data is assessed by the model fit assessment. To make sure the model was adequate, a number of fit indices were calculated. The chi-square test indicates a good fit when the p-value is more than 0.05, however, because of its sample size sensitivity, more fit indices should be taken into account. With a chi-square/df ratio of 1.98, a decent fit is supported. Furthermore, a satisfactory match is shown by the RMSEA (0.07) and SRMR (0.05) values, which are below the 0.08 threshold. Notably, the TLI (0.94), NFI (0.92), GFI (0.91), and CFI (0.95) all above the 0.90 cutoff, indicating strong and exceptional fits, respectively. All things considered, these indices imply that the suggested structural equation model accurately captures the connections between MSMEs in Bandung City's innovation capacity, market orientation, branding, marketing performance, and marketing sustainability.

Results of the Structural Model

The findings of the structural model shed light on the connections between market orientation, branding, marketing performance, innovation capacity, and marketing sustainability. Path coefficients, standard errors, t-values, and p-values are all included in the analysis.

Table 3. Structural Model Results

Path	Path Coefficient (β)	Standard Error	t-Value	p-Value
Innovation Ability → Marketing Performance	0.456	0.064	7.504	0.000
Market Orientation → Marketing Sustainability	0.384	0.055	7.008	0.000
Branding → Marketing Performance	0.552	0.073	7.864	0.000
Branding → Marketing Sustainability	0.425	0.064	7.001	0.000
Innovation Ability → Marketing Outcomes and Sustainability	0.507	0.082	6.255	0.000

Source: Data processed by the author (2024)

The study's proposed correlations are validated by the structural model analysis. To be more precise, the path coefficient of 0.456 for Innovation Ability → Marketing Performance (H1) shows a strong and positive link and is statistically significant ($p < 0.01$). A 0.456-unit gain in marketing performance is equivalent to a one-unit rise in innovative ability. Similar to this, a one-unit rise in market orientation results in a 0.384-unit increase in marketing sustainability; the path coefficient of 0.384 for Market Orientation → Marketing Sustainability (H2) is statistically significant ($p < 0.01$), indicating a positive and noteworthy link. In terms of branding, the two paths—Branding→ Marketing Performance (H3), which has a path coefficient of 0.552 ($p < 0.01$), and Branding→ Marketing Sustainability (H3), which has a path coefficient of 0.425 ($p < 0.01$)—show statistically significant and positive connections. These suggest that a 0.552-unit gain in marketing performance and a 0.425-unit rise in marketing sustainability follow a one-unit increase in branding effectiveness. Moreover, the combined effect of Market Orientation, Innovation Ability, and Branding on Marketing Outcomes and Sustainability (H4) is statistically significant ($p < 0.01$), increasing marketing outcomes and sustainability by 0.507 units for every unit rise in the combined effect. To sum up, the empirical results offer solid proof that marketing effectiveness and Sustainability within MSMEs in Pekanbaru City are highly influenced by innovation capacity, market orientation, and branding.

The discussion chapter functions as the study's analytical center, providing a thorough examination of the results, their significance, and how they relate to the body of prior research. This section explores the trends, outliers, and implications of the findings in a larger framework.

Innovation and Marketing Performance

The notion that MSMEs that prioritize innovation are more likely to experience high levels of marketing success is supported by the robust positive correlation found between innovation capabilities and marketing performance. This is consistent with the literature's advocacy of innovation-based marketing techniques (Damanpour, 2014). These results highlight the importance of innovation investments for MSMEs as a means of gaining a competitive edge and expanding their businesses.

Micro, small, and medium-sized businesses (MSMEs) must invest in innovation if they want to grow their businesses and acquire a competitive edge (Darmawi, 2022; Dixit, 2021; Vijayakumar & Chandrasekar, 2022). To do this, the literature encourages the application of innovation-based marketing techniques (Timotius, 2023). To gain a competitive edge, MSMEs must concentrate on marketing innovation, which includes adjustments to product positioning, promotion, pricing, and packaging (Maulani et al., 2022). Furthermore, there is a noteworthy positive correlation between the inventive capacities of manufacturing MSMEs and firm performance; however, this link is subject to moderation by their manufacturing and marketing skills. Innovation greatly moderates the impact of business strategy on competitive advantage, whereas business strategy alone can only produce a limited competitive advantage. Therefore, to boost productivity and obtain a competitive edge, MSMEs should prioritize innovation and incorporate it into their business plan.

Market Orientation and Sustainability

The notions of customer-centricity that support long-term business sustainability are echoed by the positive link between market orientation and marketing sustainability (Narver & Slater, 1990). Proactively responding to market demands and evolving customer expectations is exhibited by MSMEs that possess a strong market orientation. This helps with direct marketing initiatives and sets up the company for long-term viability.

The notions of customer-centricity that support long-term business sustainability are echoed by the positive link found between market orientation and marketing sustainability. A key component of sustainable innovation in businesses is customer-centric service innovation performance, which is fueled by market orientation and customer predictive abilities (Shen et al., 2023). As the cornerstone of market orientation, customer orientation is seen as the application of the marketing idea and a potent tool for creating a customer culture within the business (Chung, 2019). Small and medium-sized businesses (SMEs) can benefit greatly from the customer relationship management (CRM) aspects of customer orientation, CRM organization, CRM technology, and knowledge management in terms of long-term economic viability (Hanaysha et al., 2022). Organizations' success

in environmental sustainability can be influenced by their concurrent focus on the market and environmental innovation, with environmental innovation serving as a mediator (Haskas et al., 2021). Stakeholder orientation, in particular, improves market intelligence-related strategic positioning and actions, which leads to better long-term business performance (Stocker et al., 2021).

Branding's Impact on Performance and Sustainability

The literature highlights the significance of branding in influencing consumer perceptions and loyalty, which is consistent with the apparent positive effects of branding on marketing performance and sustainability (Keller, 1993). In addition to having a direct impact on market performance, effective branding cultivates a brand image that is supportive of sustainable practices and appeals to ethical consumers.

In addition to fostering a brand image that is in line with sustainable standards, and appeals to ethical customers, effective branding has a significant influence in influencing consumer perceptions and loyalty (Khan & Fatma, 2023; Weinmayer et al., 2023). A large body of research highlights the significance of branding in promoting market success and building a positive brand image, which supports the positive effects of branding on marketing performance and sustainability (Sun & Kim, 2023). Customers who care more about social and environmental issues are drawn to this brand's sustainability-promoting image (Anuradha et al., 2023). Businesses can boost their market success and contribute to a more sustainable future by integrating sustainability into their branding strategy (Ozuem & Ranfagni, 2023).

Synergies Between Innovation, Market Orientation, and Branding

The combined effects of innovation, market orientation, and branding on marketing and sustainability results highlight the benefits of using a comprehensive approach. The combination of incorporating innovation, adapting to changing market conditions, and building a strong brand presence can help businesses succeed in the short term as well as in the long run.

Implications

Strategic Guidance for MSMEs

The study's conclusions can be strategically applied by MSMEs in Pekanbaru City to improve their sustainability and competitiveness. Businesses can position themselves for improved marketing performance and long-term growth by investing in innovation skills, implementing market-oriented techniques, and honing branding tactics. This advice is especially helpful for MSME executives who are looking for real-world counsel to handle the ever-changing business environment.

Policy Formulation for Policymakers

The study's findings can help policymakers create policies and support initiatives that will encourage sustainability and innovation in the MSME sector. Policymakers can create programs that encourage market orientation and strong branding as they understand the benefits of these approaches. Moreover, realizing the combined impact of innovation, market orientation, and branding highlights the necessity of all-encompassing policies that tackle several facets of business

strategy.

Educational Initiatives:

These results can be incorporated into workshops and training programs for MSME owners and managers by educational institutions and business development groups. These programs, which highlight the significance of innovation, market orientation, and branding, can equip entrepreneurs with useful tools to improve their companies. These instructional initiatives support the development of an informed and resilient MSME community.

Integration of Sustainability:

The study emphasizes how crucial branding is in affecting both marketing effectiveness and sustainability. This realization can encourage MSMEs to include sustainable practices in their branding initiatives to attract customers who care about the environment and society. Companies can investigate ethical sourcing, eco-friendly branding, and open communication to meet changing customer demands and global sustainability objectives.

Research Extension:

Scholars might expand on this work by going more deeply into particular industry contexts, examining the influence of cultural elements, or assessing the efficacy of different approaches to innovation. The research establishes the groundwork for future investigations, promoting an ongoing examination of the relationships among innovation, market orientation, branding, and business results.

Economic Development and Sturdiness:

When taken as a whole, the practical consequences support Pekanbaru City's resilience and economic growth. With the knowledge and tactics gained from this research, a flourishing MSME sector is better able to deal with market difficulties, draw in investments, and boost the region's overall economic vitality.

Limitations and Future Research

Notwithstanding strong results, restrictions include possible response biases and regional specificity. To achieve greater generalizability, future studies could include various industries and geographical areas. Studies with a longer period would provide more information about how these relationships change over time.

CONCLUSION

In summary, this research sheds light on the important variables that influence marketing outcomes and the long-term survival of MSMEs in Pekanbaru City. A more complex picture of the dynamic business environment is offered by the positive correlations between innovation, market orientation, branding, and marketing outcomes that have been found to have a positive and significant effect. MSMEs can use these insights to strategically enhance their capacity to innovate, implement market-oriented strategies, and make investments in impactful branding to

support marketing effectiveness and sustainability. Robust conclusions are warranted by the study's comprehensive approach, which includes measurement model assessment, structural model study, and demographic profiling. The results of this study guide appropriate decision-making as the MSME sector in Pekanbaru City grows, enhancing the vitality and sustainability of the regional economy.

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